

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY TURNPIKE WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO CONSTRUCT) CASE NO. 99-237
A WATER MAIN EXTENSION TO THE NICHOLS)
AREA OF BULLITT COUNTY, KENTUCKY)

ORDER

On October 20, 1999, the Commission directed Kentucky Turnpike Water District ("KTWD") to appear before us and show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violation of KRS 278.020(1). We further directed Dan Thibodeaux, George Miller, Elmer Mills, and Raymond Abell to show cause they should not be subject individually to the penalties prescribed in KRS 278.990(1) for aiding and abetting KTWD's alleged violation of KRS 278.020(1). Following the commencement of this proceeding, the parties and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. On June 1, 2000, they executed a Settlement Agreement, appended hereto, and then jointly moved for Commission approval of that Agreement.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the circumstances surrounding the actions that gave rise to this proceeding, the unique nature of water districts, and the need to fashion a constructive solution to the managerial problems presented. The Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Within 20 days of this Order, Dan Thibodeaux, George Miller, Elmer Mills, and Raymond Abell shall each pay to the Commonwealth of Kentucky the sum of One Hundred Dollars (\$100.00).

4. Within 20 days of this Order, KTWD shall pay to Commonwealth of Kentucky the sum of Twenty-Five Dollars (\$25.00).

5. All payments shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

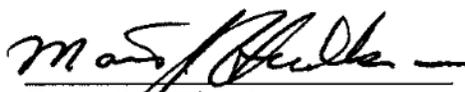
6. The payments of Dan Thibodeaux, George Miller, Elmer Mills, and Raymond Abell shall be made from their personal funds and shall not be made from KTWD's funds. Dan Thibodeaux, George Miller, Elmer Mills, and Raymond Abell shall not seek reimbursement from KTWD for these payments.

7. KTWD, Dan Thibodeaux, George Miller, Elmer Mills, and Raymond Abell shall strictly comply with all provisions of the Settlement Agreement.

Done at Frankfort, Kentucky, this 23rd day of June, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 99-237 DATED JUNE 23, 2000